Instrument prepared by:

VIRGINIA GAS AND OIL BOARD

Order recorded under:

CODE OF VIRGINIA § 45.1-361.26

VIRGINIA:

BEFORE THE GAS AND OIL BOARD

APPLICANTS:

CNX Gas Company on behalf of Torch Oil

DOCKET NO.

& Gas Company and Jane Hale.

00-1017-0830-02

Tax Map Identification Numbers For All Parcels Affected By This Order Are Shown On Exhibit Al

RELIEF SOUGHT:

Issuance: Action: A Supplemental Order for Disbursement of Escrowed Funds

Amending Prior Orders Affecting Drilling Unit FF-24, Tract 1D

(Referenced herein as "the Subject Drilling Unit")

Location:

Buchanan County, Virginia

### **Action Details:**

- (1) To provide a calculation of funds, Unit Operator has deposited into the Escrow Account for Drilling Unit <u>FF-24</u> by Tract Sub-accounts;
- (2) To provide each applicant, in simple terms, a complete month over month Royalty Accounting of unit production, costs, taxes and proceeds, depicting variables used in the calculation of royalty payments to the unit escrow account.
- (3) To disburse unit funds to the Applicants, in accordance with their Unit Ownership Interests relative to those funds deposited by the Unit Operator into Subject Drilling Unit's Escrow Subaccount for VGOB Tract(s) identified in Table 1.

### REPORT OF THE BOARD

### FINDINGS AND ORDER

- 1. <u>Hearing Date and Place</u>: This matter came on for final hearing before the Virginia Gas and Oil Board (herein "Board") at 9:00 a.m. on August 17, 2010 at the Conference Center, Russell County Office Building, Highland Drive, Lebanon, Virginia.
- Appearances: Mark Swartz for the Unit Operator; and Sharon M.B. Pigeon, Assistant Attorney General, was present to advise the Board.
- 3. Jurisdiction and Notice: Pursuant to Va. Code §§ 45.1-361.1 et seq., and in particular Va. Code §§ 45.1-361.21 and 45.1-361.22, the Board finds that it has jurisdiction over the establishment and maintenance of an escrow account, with tract sub-accounts, for each of the coalbed methane gas drilling units established by the Board through its field rules that are subject to a Board pooling order. Further, the Unit Operator is required to deposit, as applicable, those funds specified in Va. Code § 45.1-361.21.D., 45.1-361.22.A.2, 45.1-361.22.A.3 and 45.1-361.22.A.4 into the applicable escrow tract subaccounts. The Board finds that: (1) while it does not have jurisdiction to resolve conflicting claims to the ownership of the Coalbed Methane Gas produced by the Unit Operator from wells located on Subject Drilling Unit, and (2) while it does not have jurisdiction to interpret agreements by and between the Gas owners/claimants and/or the Unit Operators or to abridge or contravene the provisions of such agreements, (3) pursuant to Va. Code § 45.1-361.22.A.5, the Board does have jurisdiction and authority to disburse funds from the Escrow Account provided the Board has been provided with a final decision of a court of competent jurisdiction adjudicating the ownership of coalbed methane gas as between the conflicting claimants or an agreement among all claimants owning conflicting estates in the tracts in question or any undivided interest therein.

### 4. Prior Proceedings:

- 4.1. On October 17, 2000, the Board executed its order pooling interests in the Subject Drilling Unit for the production of occluded natural gas produced from coalbeds and rock strata associated therewith (herein "Gas") in accordance with the provisions of Va. Code SS 45.1-361.21 and 45.1-361.22 (herein "Pooling Order"). The Pooling Order was filed with the Clerk of the Circuit Court of Buchanan County on December 20, 2000, in Deed Book 0517 at Page 146 to 163. The Supplemental was filed with the Clerk of The Circuit Court of Buchanan County on November 14, 2001 in Deed Book 0534 at Page 0389 to 0404 (hereafter all orders are collectively referred to as the "Pooling Orders").
  - 4.1.1 The Board recorded a Revised Supplemental Order with the Clerk of the Circuit Court of Buchanan County on July 3, 2003, Deed Book 0572 page 0568 to 0580, Instrument #030002444. The designated operator has filed the revised Supplemental Affidavit dated June 16, 2003 disclosing that Hugh MacRae Land Trust / Torch Oil and Gas Company and EE & E Fletcher Enterprises, Inc. have entered into a royalty split agreement and a revised escrow account is reflective of current circumstances.
  - 4.1.2. On November 16, 2004, the Board heard and approved an Amended Supplemental Order for Unit FF-24 with the calculation of funds and disbursement under a split agreement between Hugh MacRae Land Trust / Torch Oil and Gas Company and EE & E Fletcher, Inc. The Disbursement Order was recorded with the Circuit Court of Buchanan County on March 13, 2006, Instrument # 06-0000781.
- 4.2 To the extent claims to the Gas were in conflict, pursuant to Va. Code S 45.1-361-22 payments attributable to said conflicting claims were ordered deposited by the Unit Operator into the escrow account established by the Pooling Orders (herein "Escrow Account"). According to the Pooling Orders and testimony, the coal estate ownership interests of Hugh MacRae Land Trust / Torch Oil and Gas Company and the gas ownership interests of Jane Hale in the Subject Drilling Unit were in conflict and became subject to the escrow requirements of the Pooling Order.
- 4.3 The Unit Operator's Miscellaneous Petition regarding Tract 1D, a copy of which is attached hereto and made a part hereof, states under oath that Hugh MacRae Land Trust / Torch Oil and Gas Company and the gas ownership interests of Jane Hale have entered into a split agreement with regard to Tract 1D. That by the terms of the agreement and escrow regarding these individual conflicting claims detailed herein escrowing with the Virginia Gas and Oil Board is no longer required.
- 4.4 The Unit Operator gave notice to the applicants that the Board would consider its disbursement authorization at its hearing on August 17, 2010 to consider whether to: (1) amend the Pooling Order to provide for the disbursement a portion of funds on deposit in the Escrow Account attributable to Tract 1D as identified in the attached miscellaneous petition (2) delete the requirement that the Unit Operator place future royalties attributable to Tracts 1D and the interests of Applicants identified in the miscellaneous petition in the Escrow Account, and (3) continue the escrow account under this docket number because there are other parties in the Unit under this order subject to continued payments in the escrow.
- 4.5 The Unit Operator filed the attached accounting for Subject Drilling Unit's Escrow Account with the Board ("Accounting").

### 5. Findings:

### 5.1. Va. Code 45.1-361.22.5 provides:

The Board shall order payment of principal and accrued interests, less escrow account fees, from the escrow account to conflicting claimants within thirty days of receipt of notification of (i) a final decision of a court of competent jurisdiction adjudicating the ownership of coalbed methane gas as between them or (ii) an agreement among all claimants owning conflicting estates in the tracts in question or any undivided interest therein. The amount to be paid to the conflicting claimants shall be determined based on the percentage of ownership interest of the conflicting claimants as shown in the operator's supplemental filing made part of the pooling order that established the escrow account, the operator's records of deposits attributable to those tracts for which funds are being requested, and the records of the escrow account for the coalbed methane gas drilling unit. The interests of any cotenants who have not entered into an agreement shall remain in the escrow account.

### 5.2 Applicant has certified and represented to the Board that:

- (1) Hugh MacRae Land Trust / Torch Operating Company and Jane Hale are the owners of the coal estate and gas estate, respectively, underlying Tract 1D of the Subject Drilling Unit;
- (2) Net interests attributable and to be disbursed to Applicants are shown in Table 1.

	VGO.	B Approved Disbursement	As	Given			
		VGOB-00-1017-0830-02	Acerage Fraction	Acreage Interest	Split Agreement	Acres	% of Escrowed
	Table	<u> </u>					Funds
	<u> </u>	Tracts 1D	-				
Îtem	Tract	Disbursement Table					
	<u> </u>					56.26	
	iD	Tract ID	<del>- </del>	13.2100			
I.	1D	Hugh MacRae Land Trust and Torch Oil and Gas Company	l i	13,2100	50.0%	6.61	11.7401%
2	1D	Amold S. Hale, et ux (Jane Hale / 1017 Runaway Lane / Oakwood, VA 24631)	1	13.2100	50.0%	6.61	11.7401%
	<del></del>	25 25 25 25 25 25 25 25 25 25 25 25 25 2	-	<del> </del>		-	

For the reasons set forth in Paragraph 4 and 5 above, and based upon the Accounting and Table 1 above, the Escrow Agent is ordered to, within 10 days of receipt of this executed order to disburse funds for the unit and applicants detailed in Table 1 above.

Exhibit E to the Pooling Order, showing owners subject to escrow, is deleted and replaced with the Exhibit E attached to this order. Further, the Supplemental Order filed in this cause is hereby modified to delete the requirement that payments attributable to the conflicting coalbed methane gas ownership interests of those applicants indicated in Table 1 be deposited by the Unit Operator into the Escrow Account, <u>and</u>, because there are other owners subject to escrow under the Supplemental Order, the Escrow Agent is directed to continue the Escrow Account for the Subject Drilling Unit. To the extent not specifically granted herein, any other or further relief is denied.

### 6. <u>Conclusion</u>:

Therefore, the requested relief and all terms and provisions set forth above in Paragraph 6 above be and hereby are granted and IT IS SO ORDERED.

### 7. Appeals:

Appeals of this Order are governed by the provisions of Va. Code § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

8. Effective Date: This Order shall be effective on the date of its execution.

Bradley C. Lambert, Chairman

David E. Asbury Jr.,

Principal Executive to the Staff

Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA )
COUNTY OF RUSSELL , )

Acknowledged on this 2 day of <u>Japlanhi</u> 2010, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and David E. Asbury Jr., being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

My commission expires: 09/30/13

Diane J. Davis
Notary Public #174394

### BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

RELIEF SOUGHT: (1) DISBURSEMENT FROM

ESCROW REGARDING TRACT(S) 1D
(2) AND AUTHORIZATION FOR DIRECT

PAYMENT OF ROYALTIES

**DRILLING UNIT: FF24** 

**BUCHANAN COUNTY, VIRGINIA** 

DIVISION OF GAS AND OIL DOCKET NO: VGOB 00-1017-0830-02

HEARING DATE; August 17, 2010

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JUL 2010 DMME Lebenon Office

### **MISCELLANEOUS PETITION**

- 1. <u>Petitioner and its counsel:</u> Petitioner is CNX Gas Company LLC, 2481 John Nash Blvd., Bluefield, West Virginia 24701, 304/323-6500. Petitioner's counsel is Mark A. Swartz, SWARTZ LAW OFFICES, PLLC., 601 Sixth Avenue, Suite 201, P.O. Box 1808, St. Albans, WV 25177-1808.
- 2. Relief sought: (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent(s) attributable to Tract(s) 1D as depicted upon the annexed Exhibit A; and (2) authorization to begin paying royalties directly to the parties to the royalty split between Torch Oil & Gas Company and Jane Hale.
- 3. <u>Legal Authority</u>: Va. Code Ann. § 45.1-361.1 <u>et seq.</u>, 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.
  - 4. <u>Type of well(s):</u> Coalbed methane.
- 5. <u>Factual basis for relief requested:</u> Torch Oil & Gas Company and Jane Hale have entered into royalty split agreement(s). Said royalty split agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Exhibit A, further, specifies how said royalties are to be divided and paid.
- 6. Attestation: The foregoing Petition to the best of my knowledge, information, and belief is true and correct.

CNX GAS COMPANY LLC

BY ITS PROFESSIONAL MANAGER

CNX GAS COMPANY LLC, PETITIONER

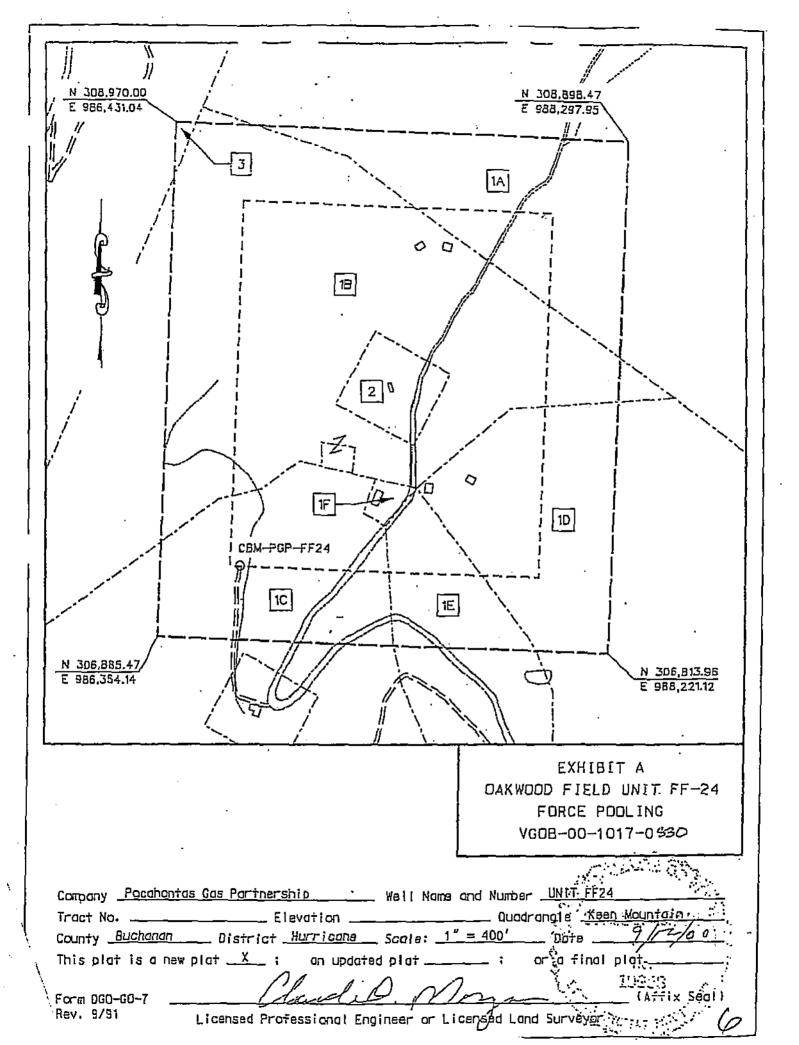
By:

Anita D. Duty

Pooling Supervisor
CNX Land Resources Inc.

2481 John Nash Blvd.

Bluefield, West Virginia 24701



### POCAHONTÁS GAS PARTNERSHIP

## Unit FF-24

### Tract Identifications

- 1A. Hugh MacRae Land Trust TR 9 Coal
  Consolidation Coal Company Below Tiller coal Leased
  Permac, Inc Tiller and above coal Leased
  Pocahontas Gas Pertnership CBM Leased
  Ellen Fletcher, et al Oil & Gas
  Floyd Blankenship Jr. Surface
  13.20 acres
  14.78329%
- 1B. Hugh MacRae Land Trust TR 9 Coal Consolidation Coal Company - Below Tiller coal Leased Permac. Inc. - Tiller and above coal Leased Pocahontas Gas Partnership - CBM Leased Carlos Hale Heirs - Surface, Oil & Gas 40.87 acres 45:77220%
- 1C. Hugh MacRae Land Trust TR 9 Coal
  Consolidation Coal Company Below Tiller coal Leased
  Permac, Inc. Tiller and above coal Leased
  Pocahontas Gas Partnership CBM Leased
  Pocahontas Gas Partnership Surface, Oil & Gas
  13.39 acres
  14.99608%
- 1D. Hugh MacRae Land Trust TR 9 Coal
  Consolidation Coal Company Below Tiller coal Leased
  Permac, Inc. Tiller and above coal Leased
  Pocahontas Gas Fartnership C8M Leased
  Amcld S. Fale Surface, Oil & Gas
  13.21 acres
  14.79449%
- 1E. Hugh MacRae Land Trust TR 9 Coal
  Consolidation Coal Company Below Tiller coal Leased
  Permac, Inc. Tiller and above coal Leased
  Pocahontas Gas Partnership CBM Leased
  Pocahontas Gas Partnership Surface, Oil & Gas
  5,12 acres 5,73412%
- 1F. Hugh MacRae Land Trust TR 9 Coal
  Consolidation Coal Company Below Tiller coal Leased
  Permac, Inc. Tiller and above coal Leased
  Pocahontas Gas Partnership CBM Leased
  Larry Hale Oil & Gas
  0.53 acres
  0.59357%
- 2. Carlos Hale Heirs Fee 2.75 acres 3.07985%

# FOCAHONTAS GAS PARTNERSHIF ....

### Unit FF-24

### Tract !dentifications

3. Buckhorn Coal Mining - Tr. 7 - Coal, Oil & Gas
Consolidation Coal Company - Below Tiller coal Leased
Permac, Inc. - Tiller and above coal Leased
Pocahontas Gas Partnership - CBM Leased
0.22 acres
0.24639%

### Docket #VGOB-00-1017-0830-02

### List of Conflicting Owners/Claimants that require escrow

		Net Acres in Unit	Interest in Unit
<u> Tract #1A - 13.20 acres</u>			
COAL OWNERSH	<u>1P</u>		
c/o Alan Sie Gump, Strai 1 Bryant Pai	uss, Akin LLP	1.65 acres 1/8 of 13.20 acres	1.8479%
c/o Sue Ann 670 Dona A	Gas Company (CBM Royalty Owner - Coal Only I Craddock na Road SW w Mexico 88030	)	
OIL & GAS OWN	NERSHIP		
• •	Boyd Heirs, Devisees, or Assigns, et al. (1/8 int.)	1.65 acres 1/8 of 13.20 acres	1.8479%
(a) Leah Vernie Successors	Baldwin Heirs, Devisees, or Assigns		
Rt.5 E	Marie Charles Box 543 Jy, VA 24614	0.0107 acres 1/154 of 1.65 acres	0.0120%
263 🗅	Mattie Hunt Jonna Avenue antown, WV 26505	0.0107 acres 1/154 of 1.65 acres	0.0120%
	ne Baldwin Governors Pond Circle ndria, VA 22310	0.0107 acres 1/154 of 1.65 acres	0.0120%
Rt.4 E	Mae Mullins 3ox 123A dy, VA 24614	0.0107 acres 1/154 of 1.65 acres	0.0120%
Rt.2 E	sh Diane Boyd 3ox 453 ant, VA 24656	0.0107 acres 1/154 of 1.65 acres	0.0120%
Rt.2 E	s Virginia Manier Box 54 ant, VA 24656	0.0107 acres 1/154 of 1.65 acres	0.0120%
Rt.2 8	y Nathan Baldwin, Jr. 30x 453 ant, VA 24656	0.0107 acres 1/154 of 1.65 acres	0.0120%
Rt,2 f	Elizabeth Hagy 3ox 448 ant, VA 24656	0.0107 acres 1/154 of 1.65 acres	<b>0.0120%</b>
49 Ar	Raymond Baldwin nsterdam Road rille, VA 24083-2921	0.0107 acres 1/154 of 1.65 acres	0.0120%
Rt.2	lley Dean Baldwin Box 453 sant, VA 24656	0.0107 acres 1/154 of 1.65 acres	0.0120%

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### Docket #VGOB-00-1017-0830-02

### List of Conflicting Owners/Claimants that require escrow

	Net Acres in Unit	Interest in Unit
(a.11) James Curtis Baldwin 1261 Baldwin Rd. Vansant, VA 24656	0.0107 acres 1/154 of 1.65 acres	0.0120%
(a.12) Samuel Marcus Baldwin, II P.O. Box 994 Vansant, VA 24656	0.0107 acres 1/154 of 1.65 acres	0.0120%
(a.13) Brandon Scott Baldwin P.O. Box 994 Vansant, VA 24656	0.0107 acres 1/154 of 1.65 acres	0.0120%
(a.14) Samantha Leah Baldwin P.O. Box 994 Vansant, VA 24656	0.0107 acres 1/154 of 1.65 acres	0.0120%
(b) Lizzie Trula Greenwood 4518 Maple Grove Road Hampstead, MD 21074	0.1500 acres 1/11 of 1.65 acres	0.1680%
(c) Ada Nell Stiltner Heirs, Devisees, Successors or Assigns		
(c.1) Patricia G. Rice Rt.1 Box 425 Vansant, VA 24656	0.0250 acres 1/66 of 1.65 acres	0.0280%
(c.2) Teresa Church P.O. Box 473 Davenport, VA 24239	0.0250 acres 1/66 of 1.65 acres	0.0280%
(c.3) Shelia Miller 22455 Wyldwood Road Abingdon, VA 24211	0.0250 acres 1/66 of 1.65 acres	0.0280%
(c.4) Vickie Viers Rt.1 Box 425A Vansant, VA 24656	0.0250 acres 1/66 of 1.65 acres	0.0280%
(c.5) Terry Boyd Rt.1 Box 425A Vansant, VA 24656	0.0250 acres 1/66 of 1.65 acres	0.0280%
(c.6) Wayne Stiltner Rt.1 Box 425A Vansant, VA 24656	0.0250 acres 1/66 of 1.65 acres	0.0280%
(d) Marcus Boyd 863 Evins Avenue Smithville, TN 37166	0.1500 acres 1/11 of 1.65 acres	0.1680%
(e) Ireson Boyd Heirs, Devisees, Successors or Assigns		
(e.1) Hassle C. Boyd 612 Dry Creek Road Smithville, TN 37166	0.1500 acres 1/11 of 1.65 acres	0.1680%
(f) Charles Milton Boyd Heirs, Devisees, Successors or Assigns		
(f.1) Annie Boyd Heirs, Devisees, Successors or Assigns		

7/2/2010

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### List of Conflicting Owners/Claimants that require escrow

	Net Acres in Unit	Interest in Unit
(f.1.1) Lester Boyd Box 182 Vansant, VA 24656	0.0250 acres 1/66 of 1.65 acres	0.0280%
(f.1.2) Helen Viola Coleman 4522 Lovers Gap Road Vansant, VA 24656	0.0250 acres 1/66 of 1.65 acres	0.0280%
(f.1.3) Betty Perkins 5632 Leemaster Dr. Vansant, VA 24656-7758	0.0250 acres 1/66 of 1.65 acres	0.0280%
(f.1.4) Peggy Tiller 3742 Leemaster Drive Vansant, VA 24656-8461	0.0250 acres 1/66 of 1.65 acres	0.0280%
(f.1.5) Joan B. Boyd Rt.2 Box 461 Vansant, VA 24656	0.0250 acres 1/66 of 1.65 acres	0.0280%
(f.1.6) Barbara Evans 1685 Peach Grove Avenue Harrisonburg, VA 22801	0.0250 acres 1/66 of 1.65 acres	0.0280%
(g) Mary Boyd Cook Heirs, Devisees, Successors or Assigns		
(g.1) Edward Cook Heirs, Devisees, Successors or Assigns		
(g.1.1) Nancy Cook, widow 33967 Wadsworth Libonia, MI 48150	0.0375 acres 1/44 of 1.65 acres	0.0420%
(g.2) Lloyd Cook Rt.5 Box 535 Grundy, VA 24614	0.0375 acres 1/44 of 1.65 acres	0.0420%
(g.3) Willard Cook 6227 East Owens Las Vegas, NV 89110	0.0375 acres 1/44 of 1.65 acres	0.0420%
(g.4) Ercil Cook Heirs, Devisees, Successors or Assigns Address Unknown	0.0375 acres 1/44 of 1.65 acres	0.0420%
(h) Marion Boyd, Jr. Heirs, Devisees, Successsors or Assigns		
(h.1) Sandra Boyd Street P.O. Box 595 Vansant, VA 24656	0.0375 acres 1/44 of 1.65 acres	0.0420%
(h.2) Larry Ireson Boyd 612 Dry Creek Road Smithville, TN 37166	0.0375 acres 1/44 of 1.65 acres	0.0420%
(h.3) Sherry Boyd Stacy P.O. Box 396 Vansant, VA 24656	0.0375 acres 1/44 of 1.65 acres	0.0420%
(h.4) Rodney Boyd HCR Box 29H Grundy, VA 24614	0.0375 acres 1/44 of 1.65 acres	0.0420%

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### List of Conflicting Owners/Claimants that require escrow

		Net Acres In Unit	Interest in Unit
(1)	Ardue Guy Boyd Heirs, Devisees, Successsors or Assigns		
	(i.1) Marshall Boyd 4797 Hayden Crest Drive Hilliard, OH 43026	0.0125 acres 1/132 of 1.65 acres	0.0140%
	(i.2) Thelma Boyd Lester HCR Box 1088 Big Rock, VA 24603	0.0125 acres 1/132 of 1.65 acres	0.0140%
	(i.3) Ferrell Boyd Rt.2 Box 516 Vansant, VA 24656	0.0125 acres 1/132 of 1.65 acres	0.0140%
	(i.4) James H. Boyd Rt.1 Box 55 Vansant, VA 24656	0.0125 acres 1/132 of 1.65 acres	0.0140%
	(i.5) Anna Lou Boyd Colley Rt.1 Box 343 Vansant, VA 24656	0.0125 acres 1/132 of 1.65 acres	0.0140%
	(i.6) Estil Boyd Heirs, Devisees, Successors or Assigns		
	(i.6.1) Katherine Boyd P.O. Box 6883 Statesville, NC 28687	0.0125 acres 1/132 of 1.65 acres	0.0140%
	(I.7) Charles Boyd RL1 Box 578 Vansant, VA 24656	0.0125 acres 1/132 of 1.65 acres	0.0140%
	(i.8) William P. Boyd Rt.2 Box 464 Vansant, VA 24656	0.0125 acres 1/132 of 1.65 acres	0.0140%
	(i.9) David G. Boyd Box 54 Vansant, VA 24656	0.0125 acres 1/132 of 1.65 acres	0.0140%
	(i.10) Steve Boyd Rt.1 Box 415 Vansant, VA 24656	0.0125 acres 1/132 of 1.65 acres	0.0140%
	(i.11) Robert G. Boyd Rt.1 Box 416 Vansant, VA 24656	0.0125 acres 1/132 of 1.65 acres	0.0140%
	(i.12) Carlie B. Clevinger Heirs, Devisees, Successors or Assigns		
	(i.12.1) Donald Clevinger Rt.1 Box 422C Vansant, VA 24656	0.0063 acres 1/264 of 1.65 acres	0.0070%
	(i.12.2) Franklin Clevinger RL1 Box 503A Vansant, VA 24656	0.0063 acres 1/264 of 1.65 acres	0.0070%
(2)	James D. Rasnake 22484 Montego Bay Road Abingdon, VA 24211	0.3000 acres 2/11 of 1.65 acres	0.3360%

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# Docket #VGOB-00-1017-0830-02 List of Conflicting Owners/Claimants that require escrow

			Acres Unit	Interest in Unit
<u>Tract #1B - 4</u>	0.87 acres			
COAL	OWNERSHIP			
(1)	Hugh Macrae Land Trust, Tr.9 c/o Alan Siegel Esq Gump, Strauss, Akin LLP 1 Bryant Park New York, NY 10036-6715	40.87	acres	45.7722%
(2)	Torch Oil & Gas Company (CBM Royalty Owner - Coal Only) c/o Sue Ann Craddock 670 Dona Ana Road SW Deming, New Mexico 88030			
OIL_&	GAS OWNERSHIP			
(1)	Carlos Hale Heirs, Devisees, Successors or Assigns	40.87	acres	45.7722%
(a)	Lorene Hale P.O. Box 878 Oakwood, VA 24631		acres of 40.87 acres	15.2574%
(b)	Pamela J. Keene 3707 Garden Creek Road Rowe, VA 24546		acres of 40.87 acres	10.1716%
(c)	Jamie Hale Rt.2 Box 468 Haysi, VA 24256		acres of 40.87 acres	10.1716%
(d)	Jeffery C. Hale 1926 Zacks Fork Road Lenoir, NC 28645		acres of 40.87 acres	10.1716%
<u>Tract #1F - 0.</u>	.53 acres			
COAL	OWNERSHIP			
(1)	Hugh Macrae Land Trust, Tr.9 c/o Alan Siegel Esq Gump, Strauss, Akin LLP 1 Bryant Park New York, NY 10036-6715	0.53	acres	0.5936%
(2)	Torch Oil & Gas Company (CBM Royalty Owner - Coal Only) c/o Sue Ann Craddock 670 Dona Ana Road SW Deming, New Mexico 88030			
Oil 8	GAS OWNERSHIP			
(1)	Larry Hale, et al. HC65 Box 118A Oakwood, VA 24531	0.53	acres	0.5936%

### Docket #VGOB 00-1017-0830-02

### List of Conflicting Owners/Claimants with Royalty Split Agreements

		Net Acres in Unit	Interest in Unit	Percent of Escrow
Tract #1A -	13.20 acres			-
COA	L OWNERSHIP			
(1)	Hugh Macrae Land Trust, Tr.9 c/o Alan Siegel Esq Gump, Strauss, Akin LLP 1 Bryant Park New York, NY 10036-6715	11.55 acres 7/8 of 13.20	12.9354% ) acres	
(2)	Torch Oil & Gas Company (CBM Royalty Owner - Coal Only c/o Sue Ann Craddock 670 Dona Ana Road SW Deming, New Mexico 88030	)		n/a
OIL A	S GAS OWNERSHIP			
(1)	EE & E Fletcher Enterprises c/o Eddie Fletcher 3652 Garden Creek Road Rowe, VA 24646 (previously Elien Fletcher)	11.55 acres 7/8 of 13.20	12.9354% acres	n/a
Tract #1C - 1	13.39 acres			
COAL	OWNERSHIP			
(1)	Hugh Macrae Land Trust, Tr.9 c/o Alan Siegel Esq Gump, Strauss, Akin LLP 1 Bryant Park New York, NY 10036-6715	13.39 acres	14.9961%	
(2)	Torch Oil & Gas Company (CBM Royalty Owner - Coal Only c/o Sue Ann Craddock 670 Dona Ana Road SW Deming, New Mexico 88030	)		n∕a
<u> </u>	GAS OWNERSHIP			
(1)	CNX Gas Company LLC 2481 John Nash Blvd. Bluefield, WV 24701 (Previously Pocahontas Gas Partnership)	13.39 acres	14.9961%	n/a
Tract #1D - 1	3.21 acres			
COAL	. OWNERSHIP			
(1)	Hugh Macrae Land Trust, Tr.9 c/o Alan Siegel Esq Gump, Strauss, Akin LLP 1 Bryant Park New York, NY 10036-6715	13.21 acres	14.7945%	
(2)	Torch Oil & Gas Company (CBM Royalty Owner - Coal Only do Sue Ann Craddock 670 Dona Ana Road SW Deming, New Mexico 88030	)		11.7401%
OIL 8	GAS OWNERSHIP			

### OIL & GAS OWNERSHIP

(1) Amold S. Hale Heirs, Devisees, Successors or Assigns

# Exhibit EE Unit FF-24 Docket #VGOB 00-1017-0830-02 List of Conflicting Owners/Claimants with Royalty Split Agreements

			Acres Unit	Interest in Unit	Percent of Escrow
(a)	Jane Hale (widow) 1017 Runaway Lane Oakwood, VA 24631	13.21	acres	14.7945%	11.7401%
<u>Tract #1E - 5</u>	.12 acres				
COAL	OWNERSHIP				
(1)	Hugh Macrae Land Trust, Tr.9 c/o Alan Siegel Esq Gump, Strauss, Akin LLP 1 Bryant Park New York, NY 10036-6715	5.12	acres	5.7341%	
(2)	Torch Oil & Gas Company (CBM Royalty Owner - Coal Only c/o Sue Ann Craddock 670 Dona Ana Road SW Deming, New Mexico 88030	)			n/a
OIL 8	GAS OWNERSHIP				
(1)	CNX Gas Company LLC 2481 John Nash Blvd. Bluefield, WV 24701 (Previously Pocahontas Gas Partnership)	5.12	acres	5.7341%	n/a

# Exhibit A Tract-by-Tract Escrow Calculation Account Balances as of 5/31/10

Unit FF-24 VGOB 00-1017-0830-02 Acres Escrowed: 56.260000

Owners	Tract#	Acres	Total Tract Percent of Escrow	Owners' Percent of Escrow (50%)	Amount Due Owners \$181,118.86
	  -	1 4 4 7		17	10 10 10 10 10 10
Torch Oil & Gas Company- CBM Royalty Owner - Coal Only				11.7401%	\$21,263.60
Jane Hale (widow of Amold Hale) - O&G	10	13.21	23,4803%	11.7401%	\$21,263.60
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Wells contributing to the escrow account:

FF24

INSTRUMENT #100002569
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
SEPTEMBER 21, 2010 AT 01:49PM

BEVERLY S. TILLER, CLERK RECORDED BY: GGB